

Shares of the nominal amount paid up thereon, to participate in surplus assets of the Company (if any).

### **Voting Rights**

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Shares who is present in person or by proxy shall have one vote. If a Shareholder demands a poll, every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to (i) amend the Articles and (ii) wind up the Company.

### **3. Memorandum of Association**

The Memorandum of Association of the Company provides that the Company's sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (SI No. 211 of 2003), as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003 (SI No. 212 of 2003), as same may be amended of capital raised from the public operating on the principle of spreading investment risk in accordance with the UCITS Regulations. The object of the Company is set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

### **4. Articles of Association**

The following section is a summary of the principal provisions of the Articles of Association of the Company not previously summarised in this Prospectus.

#### **Alteration of Share Capital**

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way.

#### **Issues of Shares**

- (a) The Participating Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Companies Acts, 1963 to 2005) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.
- (b) The Subscription Price at which Participating Shares shall be issued shall be in accordance with the Net Asset Value as determined in accordance with Articles 16 to 19 of the Articles of Association of the Company (as summarised in paragraph 5 below).

### **Variation of Rights**

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

### **Segregated Liability between Funds**

The Articles contain the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Custodian from the assets of other Funds, and shall not (save as provided in the Companies Acts 1963 to 2005), be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;
- (c) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (d) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (e) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time subject to the approval of the Auditors to vary such basis, provided that the approval of the Auditors shall not be required in any case where the assets or liability is allocated between all Funds pro rata to their Net Asset Value.

### **Transfers of Shares**

- (a) All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.
- (b) The Directors have power under the Articles to direct that any Subscriber Shares not held by the Investment Manager shall be compulsorily purchased from the holder of such Subscriber Shares.

- (c) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of such share.
- (d) The Directors may decline to register a transfer of shares unless the instrument of transfer is deposited at the Registered Office together with such evidence as is required by the Directors to show the right of the transferor to make the transfer. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.
- (e) The Directors may decline to register any transfer of a Share where it appears that such transfer would or might result in the beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Fund to adverse tax or regulatory consequences.
- (f) The Directors may decline to register a transfer if it has come to the attention of the Directors that the person to whom the Share is to be transferred would be in breach of any law or requirement of any country or governmental or regulatory authority or is a US Person.

#### **Redemption of Participating Shares**

Any certificate as to the Net Asset Value per Share and/or Redemption Price per Share given in good faith by or on behalf of the Directors is binding on all parties.

A holder of Participating Shares shall have the right (subject as set out herein) to require the Company to redeem all or any part of his holding.

#### **Directors**

- (a) Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve provided that no Director may be paid in excess of a figure set out in the Prospectus without the approval of the Board. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. However, with certain exceptions, in the case of obligations incurred on behalf of the Company, and of proposals concerning other companies in which he has a beneficial interest of at least 1%, a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he is so interested.

- (c) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.
- (d) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.
- (e) The number of Directors shall not be less than two (2) unless otherwise determined by the Company in general meeting by ordinary resolution.
- (f) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (g) The office of a Director shall be vacated in any of the following circumstances:-
  - (i) if he ceases to be a Director by virtue of any provisions of the Companies Acts 1963 to 2005 or becomes prohibited by law from being a Director;
  - (ii) if he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (iv) if he resigns from his office by notice to the Company;
  - (v) if he is convicted of an indictable offence unless the Directors otherwise determine;
  - (vi) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Companies Acts 1963 to 2005, by ordinary resolution of the Shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

None of the Directors of the Company have:-

- (i) any unspent convictions in relation to indictable offences;
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director;
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made

any composition or arrangements with its creditors generally or with any class of its creditors;

- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

#### **Borrowing and Hedging Powers**

The Directors may exercise all borrowing powers on behalf of the Company and mortgage or charge its undertaking, property and assets or any part thereof and to issue debentures, debenture stock or other securities whether outright or as collateral security for any debts or obligations only in accordance with the provisions of the UCITS Regulations or as permitted by the Financial Regulator. The Company, in accordance with the requirements of the Financial Regulator, may enter into hedging transactions in respect of any Investments to protect against exchange risks.

#### **Dividends**

No dividends are payable on the Subscriber Shares. Subject to the provisions of the Companies Acts 1963 to 2005, the Company may by ordinary resolution declare dividends on a class or classes of Participating Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve, any dividend which has remained unclaimed for six years shall be forfeited and remitted to the Company.

#### **Distribution of Assets on a Liquidation**

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Companies Acts 1963 to 2005, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:-
  - (i) firstly, in the payment to the holders of the Shares of each class of the Fund a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not to the assets comprised within any of the Funds;

- (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under subparagraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (iii) thirdly, in the payment to the holders of each class of Shares of any asset remaining in the relevant Fund of any balance being made in proportion to the number of Shares held; and
- (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.

#### **Restrictions on Shareholders**

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by:-

- (a) any person who is not a Qualified Holder;
- (b) any person in breach of the law or requirements of any country, government or authority or any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, legal or material administrative disadvantage which the Company might not otherwise have incurred or suffered or the Company being required to register under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended.

If it comes to the notice of the Directors that any Shares are so held by any such non-qualified person as above the Directors may give notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Articles. If any person upon whom such a notice has been served fails to comply with such requirements within 30 days, he shall be deemed to have given a request in writing for the repurchase of all his Participating Shares. A person who becomes aware that he is a non-qualified person is required either to deliver to the Company a written request for redemption of his Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a non-qualified person.

#### **Indemnities**

The Directors, Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in discharge of his duties (other than in the case of negligence or wilful default).

#### **5. Net Asset Value of the Shares**

- (a) Calculation.

The calculation of the Net Asset Value of each Fund and of each class thereof is the responsibility of the Administrator. The Net Asset Value of each Fund and each class thereof will be determined by the Administrator in accordance with the Articles in the currency in which the Fund or class is denominated as at the Valuation Point and will be equal to the value of all the assets of the relevant Fund less all of its liabilities as attributable to each class. To the extent permitted by the UCITS Regulations and the Articles, the Administrator may carry out additional valuations if it considers it desirable to do so having regard to prevailing market conditions, exchange rate volatility and the volume of dealing requests from Investors received by the Administrator. The Administrator will, without delay following calculation, notify the Irish Stock Exchange of the Net Asset Value of each Fund.

(b) Assets of the Funds.

The assets of each Fund shall be determined to include (a) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (b) all bills, demand notes, certificates of deposit and promissory notes; (c) all bonds, forward currency transactions, time-notes, shares, stock, units of or participation in collectible investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rates securities, floating rates securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial incidents and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it; (d) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the net asset value is being determined, (e) all interest accrued on any interest-bearing securities attributed to the Fund except to the extent that the same is included or reflected in, the principal value of such security, (f) all other Investments of the Fund, (g) the preliminary expenses attributable to the Fund including the cost of issuing and distributing Shares of the Fund in so far as the same have not been written off and (h) all other assets of the Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

(c) Valuation Principles

The principal valuation principles to be used in valuing each of Fund's assets are as follows:-

(i) the Directors shall calculate the value of the assets of any Fund on the following basis:-

A. the value of any Investment (including any securities of a Collective Investment Scheme) (other than any futures or options which if quoted, listed or normally dealt in on a regulated market, shall be valued in accordance with sub-paragraph G) which is quoted, listed or normally dealt in on a regulated market shall be based on the closing price or (if bid and offer quotations are made) the closing middle market quotation for such Investment last available to the Directors at the relevant Valuation Point provided that:-

I. if an Investment is quoted, listed or normally dealt in on more than one market, the Directors may, in their absolute discretion select any or of such markets for the foregoing purposes and once selected a

market shall be used for future calculations of the Net Asset Value unless the Directors otherwise determine; and

- II. in the case of any Investment which is quoted, listed or normally dealt in on a market but in respect of which for any reason, prices on that market may not be available at any Valuation Point, the value therefor shall be the probable realisable value thereof which must be estimated with care and in good faith by a person, firm or association making a market in such Investment appointed by the Directors, and qualified, in their opinion, to provide such a value and approved by the Custodian; and
  - III. there shall be taken into account interest on interest-bearing Investments;
  - IV. neither the Directors nor their agents shall be under any liability by reason of the fact that a value reasonably believed by them to be the price of an Investment may be found not to be such;
- B. the value of any Investment (including any securities of a Collective Investment Scheme) which is not quoted, listed or normally dealt in on a market shall be the probable realisable value therefor which must be estimated with care and in good faith ascertained as hereinafter provided as determined by the Directors with the concurrence of the Custodian. For this purpose:-
- I. the probable realisable value of such Investment shall be such value as shall be estimated by the Directors acting in good faith and with due care and approved by the Custodian; and
  - II. there shall be taken into account interest on interest bearing Investments;
- C. cash shall be valued at face value (together with accrued interest to the relevant Valuation Point);
- D. certificates of deposit acquired at their nominal value will be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- E. certificates of deposit acquired at a discount or premium to the sum of the nominal value and accrued interest at the date of acquisition will be valued at their cost plus accrued interest at the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the Company's assets are being valued;
- F. treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments of like maturity, amount and credit risk, at the Valuation Point;



- G. forward foreign exchange contracts will be valued by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
  - H. the value of any future contracts and options which are dealt in on a market shall be calculated by reference to the price appearing to the Directors to be the settlement price as determined by the market in question, provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be calculated in such manner as the Directors shall determine with the concurrence of the Custodian;
  - I. the value of any over the counter ("OTC") derivative contracts shall be the quotation from the counterparty provided that such quotation is calculated on at least a daily basis by the counterparty and is approved or verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Custodian;
- (ii) notwithstanding any of the foregoing paragraphs the Directors:
- A. with the approval of the Custodian may adjust the value of any Investment if having regard to the currency, applicable rate of interest maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
  - B. may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in Article 17;
- (iii) if in any case a particular value is not ascertained as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors in their absolute discretion shall decide with the concurrence of the Custodian;
- (iv) notwithstanding the foregoing where at any time any valuation of any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company provided that if the net amount receivable is not payable until such future time after the time of any valuation the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof;
- (v) any valuations made pursuant to the Articles shall be binding on all persons;
- (vi) the costs and liabilities/benefits arising from instruments entered into for the purpose of hedging the currency exposure for the benefit of any particular class of Shares of the Company (where the currency of a particular class is different to the Base Currency) shall be attributable exclusively to that class.

6. Liabilities attributable to the Funds

The liabilities of each Fund shall be deemed to include:- (a) the fees and expenses payable to the Investment Manager (and Advisers), Administrator and the Custodian, (b) fees and expenses of the Directors; (c) fees in respect of publication and circulation of details of the Net Asset Value; (d) stamp duties, taxes, brokerage or other expenses incurred in acquiring and disposing of investments; (e) the fees and expenses of the auditors, tax, legal and other professional advisers and company secretarial fees; (f) the Financial Regulator's industry Funding levy; (g) fees and expenses in connection with the distribution of Shares and/or costs of registration of the Company in jurisdictions outside Ireland; (h) the fees connected with listing on The Irish Stock Exchange; (i) the costs of printing and distributing reports, accounts and other explanatory memoranda, publishing prices and any costs incurred as a result of periodic updates of the prospectus and any other administrative expenses; (j) an appropriate provision for taxes (other than taxes taken into account as duties and charges) and contingent liabilities as determined from time to time by the Directors; and (k) all other liabilities of the Company of whatsoever kind.

In determining the amount of such liabilities, the Directors may calculate administrative and other expenses of a regular and recurring nature on an estimated figure for yearly and other periods in advance and accrue the same in equal proportions over any such period.

7. Commissions

Neither the Company nor the Investment Manager has entered into any soft commission arrangements with respect to the Company. In the event that any such arrangements are made, the Company or Investment Manager, as applicable, will ensure that (i) the broker or counterparty to the arrangement has agreed to provide best execution to the Company, (ii) benefits provided under the arrangement assist in the provision of investment services to the Company; and (iii) such arrangements are adequately disclosed in the relevant Prospectuses as updated or amended, and the periodic reports issued by the Company.

8. Directors' Interests

No Director has any interest direct or indirect in the Shares of the Company but non-Irish resident Directors shall be entitled to acquire such an interest.

There are no existing or proposed service contracts between any of the Directors and the Company.

Messrs Stephane Benbassat and Alberto Benbassat are General Partners of Genevalor Benbassat & Cie which owns 55% of the Distributor.

Mr David Smith is a director of the Distributor.

Mr Daniel Morrissey is a Partner of William Fry which acts as legal adviser to the Company in Ireland.

9. Meetings

The financial year end of the Company is 31 December in each year. Shareholders will be sent copies of the audited accounts prior to the Annual General Meeting in each year.

Annual General Meetings will be held in Ireland. Notices convening each Annual General Meeting will be sent to Shareholders together with the annual accounts and reports not later than twenty-one days before the date fixed for the meeting.

10. Litigation

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:-

- (a) the Custodian Agreement dated 30 May 1996, between the Company and the Custodian and subsequently amended by a supplemental custodian agreement dated 21 August 2006;
- (b) the Investment Management Agreement dated 31 December 2006 between the Company and the Investment Manager;
- (c) the Administration Agreement dated 30 May 1996 between the Company and the Administrator and as subsequently amended by a supplemental administration agreement dated 21 August 2006.
- (d) The Distribution Agreement dated 31 December 2006 between the Company and Distributor.

12. Miscellaneous

- (a) The Company does not have, nor has it had since its incorporation, any employees.
- (b) Save as disclosed on paragraph 8 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (c) The Company has not purchased or acquired nor agreed to purchase or acquire any property.
- (d) Save as disclosed on page 26, no amount or benefit has been paid or given to any promoter and none is intended to be given.
- (e) As at the date of this Prospectus there has been no significant change in the financial trading position of the Company since the end of the period for which the audited statement of net assets included herein are prepared.
- (f) The Auditors have given and have not withdrawn their written consent to the issue of this Prospectus, together with their report and the references to it in the form and content in which it appears.

**13. Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the offices of the Administrator in Dublin, at the offices of William Fry or at the offices of the Distributor:-

- (a) the Memorandum and Articles of Association of the Company (see paragraphs 3 and 4 above for further details);
- (b) this Prospectus and any Supplement;
- (c) the most recently published annual and half-yearly reports relating to the Company;
- (d) the Custodian Agreement;
- (e) the Investment Management Agreement;
- (f) the Administration Agreement;
- (g) the Investment Advisory Agreement;
- (h) the Distribution Agreement;
- (i) the relevant Financial Regulator Notices;
- (j) the UCITS Regulations;
- (k) the Companies Acts, 1963 to 2005; and
- (l) a memorandum detailing the names of all companies and partnerships of which each Director of the Company has been a director or partner at any time in the previous five years, together with an indication of whether such person is still a director or partner of such entity.

## **APPENDIX I**

### **The Regulated Markets**

With the exception of permitted investment in unlisted securities, investment in securities will be restricted to those traded on stock exchanges and markets listed below in this Prospectus or any supplement thereto or revision thereof. The list is currently as follows:

#### **Recognised Investment Exchanges**

1. Recognised investment exchanges in any EU member state, Norway, Iceland, Liechtenstein, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland or the United States.

#### **Markets**

2. The following regulated markets:-
  - (a) the markets organised by the International Securities Market Association;
  - (b) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";
  - (c) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
  - (d) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
  - (e) NASDAQ in the United States;
  - (f) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
  - (g) the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc.;
  - (h) the French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments);
  - (i) EASDAQ (European Association of Securities Dealers Automated Quotation);
  - (j) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

#### **Markets on which FDIs may be traded**

3. The following regulated markets on which financial derivative instruments may be traded:-
  - Any approved derivative market within the European Economic Area on which FDIs are traded.

The above markets are set out in the Articles of Association and are listed in accordance with the requirements of the Financial Regulator, it being noted the Financial Regulator does not issue a list of approved markets or stock exchanges.

## APPENDIX II

### Investment Techniques and Instruments for Efficient Portfolio Management/Direct Investment Purposes

The following provisions apply whenever a Fund proposes to engage in transactions in FDIs where the transactions are for the purposes of efficient portfolio management and, where the intention is disclosed in the Fund's investment policy, for investment purposes of the Fund. The Company shall employ a risk management process to enable it to monitor and measure, on a continuing basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Company shall only invest in those types FDIs included in the Company's risk management process which must be approved in advance by the Financial Regulator. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are set out at section 6 in Appendix III.

#### Efficient Portfolio Management - Other Techniques and Instruments

In addition to the investments in FDIs noted under the heading "Efficient Portfolio Management" on page 13 of this Prospectus, the Manager may employ other techniques and instruments relating to transferable securities which it reasonably believes to be economically appropriate to the efficient portfolio management of each Fund in accordance with the investment objectives of each Fund.

Such techniques and instruments are set out below and are subject to the following conditions:-

#### Use of Repurchase/Reverse Repurchase and Stocklending Agreements

*For the purposes of this section, "relevant institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998.*

- (a) Repurchase/reverse repurchase agreements, ("repo contracts") and stocklending agreements may only be effected in accordance with normal market practice.
- (b) Collateral obtained under a repo contract or stocklending agreement must be in the form of one of the following:
  - (i) cash;
  - (ii) government or other public securities;
  - (iii) certificates of deposit issued by relevant institutions;
  - (iv) bonds/commercial paper issued by relevant institutions;
  - (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
  - (vi) DBVs (deliveries by value) within the Crest clearing system, or comparable Central Securities Depositories Systems instruments, provided that:-

- they are subject to a concentration limit;
  - the subject securities fall into one of the categories listed under (ii) to (v) above, or the securities are a constituent part of a recognised index such as the ISEQ Index; and
  - the subject securities are consistent with the investment objectives and policies of the relevant Company.
- (c) Until the expiry of the repo contract or stocklending transaction, collateral obtained under such contracts or transactions:-
- (i) must be marked to market daily;
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
  - (iii) must be transferred to the Custodian, or its agent;
  - (iv) must be held at the credit risk of the counterparty; and
  - (v) must be immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity.

**Non-cash collateral:**

- (i) must be held at the credit risk of the counterparty;
- (ii) cannot be sold or pledged;
- (iii) must be marked to market daily;
- (iv) must be issued by an entity independent of the counterparty; and
- (v) must be diversified such that the Fund does not have a position exposure to the securities of any one issuer which would breach the investment restrictions as set out in the Appendix III/the Regulations. Where appropriate, the credit quality of the non-cash collateral must be consistent with the investment objectives and policies of the Fund.

**Cash collateral:**

Cash may not be invested other than in the following:

- (i) deposits, which are capable of being withdrawn within 5 working days, or such shorter time as may be dictated by the repo contract or stocklending agreement. The holding of cash on deposit is subject to the provisions of paragraph 7 of the Financial Regulator's Notices 9.1 and paragraph 2.6 of Appendix III. Cash may not be held on deposit with the counterparty or with a related institution;
- (ii) government or other public securities;
- (iii) certificates of deposit as set out in paragraph (b)(iii) above;



- (iv) letters of credit as set out in paragraph (b) (v) above;
  - (v) repurchase agreements, subject to the provisions herein;
  - (vi) daily dealing money market funds which have and maintain a rating of Aaa or equivalent. If investment is made in a linked fund, as described in paragraph 5, UCITS 9, no subscription, conversion or redemption charge can be made by the underlying money market fund.
- (d) Notwithstanding the provisions of paragraph (c), a Fund may enter into stocklending programmes organised by generally recognised Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.
  - (e) The counterparty to a repo contract or stocklending agreement must have a minimum credit rating of A2/P2 or equivalent, or must be deemed by the Company to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.
  - (f) The Company must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.
  - (g) Repo contracts or stocklending agreements do not constitute borrowing or lending for the purposes of Regulation 70 and Regulation 71 respectively.
  - (h) When Issued, Delayed Delivery and Forward Commitment Securities

The Company may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

## APPENDIX III

### Investment Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU member state or non-EU member state or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU member state or non-EU member state.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Financial Regulator's Guidance Note 2/03.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Notices.
<b>1.7</b>	FDIs as prescribed in the UCITS Notices.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Subject to paragraph 4, each Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
<b>2.5</b>	The transferable securities and money market instruments referred to in 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.6 Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
- Deposits with any one credit institution, other than
- a credit institution authorised in the EEA (EU member states, Norway, Iceland, Liechtenstein);
  - a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
  - a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- held as ancillary liquidity, must not exceed 10% of net assets.
- This limit may be raised to 20% in the case of deposits made with the trustee/custodian.
- 2.7 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- 2.8 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
- risk exposures arising from OTC derivatives transactions.
- 2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.10 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.6, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.11 Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities, non-EU member states or public international body of which one or more EU member states are members.
- The individual issuers must be listed in the prospectus and may be drawn from the following list:
- OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority.

	Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	Investments made by a Fund in units of other CIS may not exceed, in aggregate, 10% of the assets of the Fund.
<b>3.2</b>	Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states that it may invest more than 10% of its assets in other UCITS or collective investment undertakings, the following restrictions shall apply instead of the restrictions set out at section 3.1 above: <ul style="list-style-type: none"> <li>(a) Each Fund may not invest more than 20% of its Net Asset Value in any one CIS.</li> <li>(b) Investments in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.</li> </ul>
<b>3.3</b>	The CIS are prohibited from investing more than 10% of net assets in other CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by the Fund's manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>3.6</b>	Where the investment policy of a Fund states that it may invest in other Funds of the Company, the following restrictions will apply:- <ul style="list-style-type: none"> <li>• a Fund will not invest in another Fund of the Company which itself holds shares in other Funds within the Company;</li> <li>• a Fund which invests in another Fund of the Company will not be subject to subscription, conversion or redemption fees;</li> <li>• where a commission (including a rebated commission) is received by the Investment Manager or any investment adviser by virtue of an investment by one Fund in another Fund of the Company, this commission must be paid into the property of the Fund; and</li> <li>• the Investment Manager will not charge an investment management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company.</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Regulator

4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-EU member state;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU member state complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Financial Regulator may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
5.7	<p>Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> </ul>

	<ul style="list-style-type: none"> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- FDIs.</li> </ul>
5.8	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	Any Fund's global exposure (as prescribed in the Notices) relating to FDI must not exceed its total Net Asset Value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Notices.)
6.3	Any Fund may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Financial Regulator.

#### Investment Restrictions

The Regulations provide that the Company in respect of each Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Custodian may give a charge on the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

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If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of Thema International Fund public limited company (the "Company"), whose names appear under the heading "Management and Administration" in the prospectus of the Company dated 31 December 2006 (the "Prospectus") accept responsibility for the information contained in the Prospectus and in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

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## **THEMA FUND**

### **US\$ CLASS**

### **EURO CLASS**

*(A Fund of Thema International Fund public limited company  
an investment company with variable capital  
and having segregated liability between its Funds)*

### **SUPPLEMENT**

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**This Supplement contains information relating to the US\$ Class of Shares (the "US\$ Class") and the Euro Class of Shares (the "Euro Class") of the Thema Fund. This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus of the Company.**

**The Shares of the US\$ Class of the Thema Fund were admitted to Official Listing on the Irish Stock Exchange on 2 July 1996 and Shares of the Euro Class were admitted on 3 October 2001**

**The date of this Supplement is 31 December 2006.**

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## DEFINITIONS

*"Business Day"*, any day on which the banks in both Dublin and Geneva are open for business.

*"Dealing Day"*, the first Business Day of each month and the 15<sup>th</sup> day of each month, or if the 15<sup>th</sup> day of each month is not a Business Day, it shall be the next Business Day.

*"Regulated Markets"*, the Stock Exchanges and/or regulated markets listed in Appendix I of the Prospectus.

*"Shares"*, shares of any Share Class of the Thema Fund.

*"Share Class" or "Share Classes"*, such class of shares in the Thema Fund as the Directors from time to time designate, the current share classes in respect of the Thema Fund being the US\$ Class and the Euro Class.

*"Valuation Point"*, in respect of the assets and liabilities of the Thema Fund shall be the close of business in the relevant market (or such other time as the Directors may determine) on the Business Day immediately preceding a Dealing Day.

All other capitalised terms shall bear the same definitions as are set out in the Prospectus.

## **INTRODUCTION**

Thema International Fund public limited company (the "Company") is authorised in Ireland by the Financial Regulator as a UCITS for the purposes of the UCITS Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of Shares with one or more classes representing a separate Fund of the Company. Each Fund may have more than one Share Class.

This Supplement contains information relating to the US\$ Class and the Euro Class of the Thema Fund. This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi-annual report.

## **INVESTMENT OBJECTIVE AND POLICY**

The objective of the Thema Fund is to achieve long-term capital appreciation by investing on a non-leveraged basis in a large number of United States equity securities traded on Regulated Markets that are highly liquid. Investments will principally be made in equity securities that are included in the Standard & Poors 100 Index (the "Index").

In constructing the portfolio for the Thema Fund, the Investment Manager will attempt to minimise risk by choosing investments from a broad range of liquid securities and by taking into consideration various factors including the issuer, its performance and the industry in which it principally engages in business. The portfolio will typically have approximately 30 to 50 highly liquid positions in US equities quoted on Regulated Markets located in the United States. The Thema Fund will have positions in related put options, in accordance with the restrictions set out in the UCITS Regulations for the purposes of efficient portfolio management, in an attempt to protect the Thema Fund from downward movements in the Index.

## **EFFICIENT PORTFOLIO MANAGEMENT**

The Thema Fund may, subject to the conditions and within the limits laid down by the Financial Regulator, employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Thema Fund and may not be speculative in nature. These techniques and instruments may include investments in financial derivative instruments such as futures (which may be used to manage interest rate risk), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps and forward currency exchange contracts (both of which may be used to manage currency risk against the Base Currency and/or any functional currency of the Thema Fund). Such techniques and instruments will be utilised in accordance with the requirements of the Financial Regulator. New techniques and instruments may be developed which may be suitable for use by the Thema Fund and the Thema Fund (subject as aforesaid) may employ such techniques and instruments. The Thema Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of the Notices.

The Thema Fund may purchase "out of the money" put options on the Standard & Poors 100 Index (i.e. where the price which is to be received in respect of the securities the subject of the put options will be a maximum of 5% below the present value of the securities held by Thema Fund at the time of the purchase of the relevant option). The Company, on behalf of the Thema Fund, will finance the purchase of these put options by selling "out of the money" call options on either the underlying equity securities held by the Thema Fund or the Standard & Poors 100 Index. The purchase and sale of these options will take place in accordance with the restrictions set out in the UCITS Regulations,

which are set out in Appendix III of the Prospectus. The sale of these call options reduces the cost to the Thema Fund of entering into the put options but shall limit the benefit to the Thema Fund of total upward movement in the Index.

### **BASE CURRENCY**

The base currency of the Thema Fund is the US Dollar. The Thema Fund currently has two Share Classes, the US\$ Class which is denominated in US Dollars and the Euro Class which is denominated in Euro.

### **INVESTMENT AND BORROWING RESTRICTIONS**

The Company is a UCITS and accordingly the Thema Fund is subject to the investment and borrowing restrictions set out in the UCITS Regulations and the Notices of Financial Regulator. These are set out in detail in the Prospectus.

### **MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

### **DIVIDEND POLICY**

The share classes of the Thema Fund are accumulating share classes and, therefore, it is not intended to distribute dividends to the Shareholders in the Thema Fund. The income and other profits will be accumulated and reinvested on behalf of Shareholders. Dividends, if paid on either class of the Shares, may be paid out of the net revenue of the Share class of the Thema Fund in question including interest and dividends earned by the Thema Fund, realised and unrealised profits on the disposal/valuation of the investments and other assets less realised and unrealised losses of the Thema Fund.

### **SUBSCRIPTIONS**

#### **Application Procedure**

##### Application Forms.

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors from time to time in relation to the Company ("Application Form"). An Application Form accompanies this Supplement and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms should be sent by post to arrive within two Business Days after the time for receipt of such application. Subsequent applications may be accepted in such form as may be authorised by the Directors from time to time, with the agreement of the Administrator and subsequent applications may be accepted by fax, provided that proper authorisation has been provided by the applicant in the Application Form. Redemption proceeds will not be paid out by the Administrator unless the original Application Forms and all documentation required for anti-money laundering purposes have been received by the Administrator.

Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the cancellation of any allotment of Participating Shares in respect of the application.

#### Fractions.

Subscription monies representing less than the subscription price for a Share will not be returned to the applicant. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .0001 of a Share.

#### Offer.

Applications for Shares for either class of Shares of the Thema Fund must be received by the Administrator by 5.00pm (Irish time) on the Business Day immediately preceding the Dealing Day or such later time prior to the Valuation Point as the Directors may determine from time to time in consultation with the Administrator and subject to receipt by the Administrator of all authorisations required by it. Any applications received after that time will be held over until the next Dealing Day.

#### Subscription Price.

The subscription price per Share of the Share Classes of the Thema Fund shall be ascertained as follows:-

- (a) the Net Asset Value per Share of any class of Shares within the Thema Fund will be calculated by calculating the amount of the Net Asset Value of the Thema Fund which is attributable to the relevant class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any) and any other amounts necessary to account for actual expenditure on the purchase of the underlying investments;
- (b) dividing the resultant figure under (a) above by the total number of Shares of the relevant class in issue; and
- (c) adjusting the resulting total up to the nearest unit of the currency in which such Participating Shares are designated where the amount so determined is equal to or greater than half of the relevant unit or down to the nearest unit where said amount is less than half of that unit ("unit" for these purposes being the smallest fraction of the relevant currency which is legal tender in the country of issue of that currency).

### **Payment of Subscription Monies**

#### Method of Payment.

For instructions concerning subscriptions, investors should contact the Administrator.

Subscription payments plus an initial charge of up to 5% of the amount subscribed, (which initial charge is payable to, and shall be for the absolute use and benefit of the Investment Manager) must be paid by telegraphic transfer to the Administrator. The Subscription Price for Shares of any class of the Thema Fund will be available from the Administrator on request and will be published in the Financial Times, Le Temps and FOSC (for Switzerland) and in Handelsblatt (Germany) (for so long as the Thema Fund is registered in those jurisdictions) and in such other publications as the Directors may determine from time to time. Subscription prices will be published 10 Business Days following each Dealing Day.

#### Timing of Payment.

Payment in respect of subscriptions (including the initial charge) must be received by the Administrator by 5:00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day. If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Directors may instruct the Administrator to cancel the allotment and/or may charge the applicant for any lapse incurred by it for any loss to the Thema Fund arising out of such non-receipt or non-clearance.

### **Minimum Subscriptions/Holdings**

#### Initial Subscriptions.

The minimum initial subscription amount for Shares is as follows:-

US\$ Class - US\$50,000  
Euro Class - €50,000

or its foreign currency equivalent (or such lesser amount as the Directors may determine).

#### Minimum Holdings.

Any Shareholder who redeems or otherwise disposes of part of his holding must maintain an aggregate holding in each Share Class in which he holds Shares as follows:-

US\$ Class - US\$50,000  
Euro Class - €50,000

or its foreign currency equivalent (or less at the discretion of the Directors). The Directors have the power to redeem the remaining holding of any Shareholder who redeems his minimum holding of Shares in a Share Class to below the levels set out above or its currency equivalent. The minimum amount for subsequent subscriptions for both Classes of shares is US\$1,000 or €1,000.

Subscriptions paid in a currency other than the base currency of a Share Class will be converted by the Administrator at the prevailing exchange rate.

### **REDEMPTIONS**

#### **Procedure**

#### Redemption.

Every Shareholder will have the right to require the Company to redeem his Shares in the Thema Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed only by written application through the Administrator.

#### Redemption Form.

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the redemption form ("Redemption Form") prescribed by the Directors in relation to the Thema Fund. Redemption Forms may be obtained from the Administrator or any relevant distributor. The Redemption Form sets out the methods by which and to whom redemption monies may be sent. Share certificate(s), where issued, must be sent with the Redemption Form. In the case of joint shareholdings, such certificate(s) should be endorsed by all joint shareholders.

A redemption request must be received by the Administrator 3 Business Days prior to the relevant Dealing Day or such later time prior to the Valuation Point as the Directors may determine from time to time. Faxed instructions will be accepted provided the Shareholder has completed the relevant Application Form. Redemption proceeds will not be paid out by the Administrator unless the original Application Forms and all documentation required for anti-money laundering purposes have been received by the Administrator.

Applicants should provide the following information when redeeming and where there is more than one registered Shareholder, the redemption request must be signed by all Shareholders:-

1. full name and address of the Shareholder(s) making the redemption;
2. the number of Shares or amount of the Thema Fund to be redeemed;
3. whether Shares were issued with or without certificate(s) (if Shares were issued in certified form, the certificate(s) must be enclosed);
4. details as to whom payment should be made (unless the predesignated instructions provided on the application form have been completed).

Redemption proceeds in US Dollars for the US\$ Class and Euros for the Euro Class will normally be sent by telegraphic transfer at the risk and expense of the Shareholder to the Shareholder's designated bank account, within seven Business Days after the Dealing Day or, if later, within two Business Days of the receipt of the original Redemption Form and share certificate (if issued) and any other required documents whichever is applicable.

If the redemption request is received after the deadline for receipt of requests for redemption for any particular Dealing Day, it shall be treated as a request for redemption and Shares will be redeemed at the Redemption Price as at the Valuation Point relevant to the next following Dealing Day.

The Company shall have the right to redeem compulsorily any Share at the Redemption Price if:-

- such Share is held by a non-Qualified Holder; or
- in its opinion, redemption would eliminate or reduce the exposure of the Company or the Shareholders as a whole to adverse tax or regulatory consequences; or
- a holding of Shares falls below the Minimum Holding.

#### **Redemption Price**

The Redemption Price per Share in each Class of the Thema Fund shall be ascertained as follows:-

- (a) the Net Asset Value per Share of any Class of Shares within the Thema Fund will be calculated by calculating the amount of the Net Asset Value of the Thema Fund which is attributable to the relevant class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges and any other amounts necessary to account for the actual sale price of underlying investments;
- (b) dividing the resultant figure calculated under (a) above by the total number of Shares of the relevant class in issue; and

- (c) adjusting the resulting total up to the nearest unit of currency in which such Participating Shares designated where the amount so determined is equal to or greater than half the relevant unit or down to the nearest unit ("unit" for these purposes being the smallest fraction of the relevant currency which is legal tender in the Country of issue of that currency).

## **FEES AND EXPENSES**

### **Custodian's Fees**

The Custodian is entitled to a fee of 0.07% per annum of the gross assets of the Fund up to the equivalent of US\$1 billion and at a rate of 0.03% on the gross assets over the equivalent of US\$1 billion calculated as of each Dealing Day and payable monthly in arrears.

The Custodian shall also be entitled to reimbursement of all agreed transaction charges, out-of-pocket expenses properly incurred for the benefit of the Company and fees of any sub-custodian which shall be at normal commercial rates.

### **Administrator's Fees**

The Administrator is entitled to a fee of 0.07% per annum of the gross assets of the Fund up to the equivalent of US\$1 billion and at a rate of 0.03% on the gross assets over the equivalent of US\$1 billion calculated as of each Dealing Day and payable monthly in arrears. The Administrator is also entitled to be reimbursed for all agreed transaction fees and out of pocket expenses properly incurred by it in the performance of its duties and responsibilities under the Administration Agreement.

### **Investment Management Fee**

The Investment Manager is entitled to charge a fee of up to 0.5% per annum of the Net Asset Value of the Thema Fund calculated and accrued as of each Valuation Point, payable monthly in arrears out of the assets of the Thema Fund.

### **Distributor's Fees**

The Distributor is entitled to a fee of up to 1.25% of the gross assets of the Fund calculated as of each Dealing Day and payable monthly in arrears out of the assets of the Fund. The Distributor's fee shall be in addition to any fee charged by the Investment Manager.

### **Initial Charge**

The initial charge for the Thema Fund is up to 5% of the Subscription Price and is payable to the Distributor.

### **Redemption Fee**

The Directors may charge a redemption fee of up to 1% of the Redemption Price, such fee being payable to the Company. The Directors will give one month's written notice to Shareholders of their intention to charge a redemption fee.

### **Conversion Fee**

The Directors may impose a conversion charge of up to 0.5% of the Net Asset Value of the Shares converted, such fee to be payable to the Company.

## **RISK FACTORS**

Potential investors should consider the risk factors set out in the Prospectus and the additional risk factors set out below before investing in the Thema Fund.

### **Risk Warnings**

1. Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of the Thema Fund may adversely affect the value of an investment in the Thema Fund.
2. Where a Share Class of the Thema Fund is denominated in a currency other than the base currency of the Thema Fund, the Company will attempt to minimise the effect of currency fluctuations between that currency and the Thema Fund's base currency through the use of hedging; however the result cannot be guaranteed. In addition, investors should note that the costs and gains/losses of transactions entered into by the Investment Manager for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the base currency and/or the currency in which the assets of the Thema Fund are denominated will accrue solely to that class. The use of hedging may substantially limit Shareholders of that class from benefiting if the class currency falls against the base currency and/or the currency in which the assets of the Thema Fund are denominated.

The attention of Shareholders is drawn to the fact that the Company has Share Classes which distinguish themselves by, inter alia, their reference currency and that Shareholders are exposed to the risk that the Net Asset Value of a Share Class in one currency can move unfavourably vis-à-vis another Share Class in another currency. The Investment Manager attempts to alleviate this by way of hedging transactions but this may not produce Net Asset Value movements which are identical in different currencies.

### **CONVERSION**

Shareholders of any Share Class of the Thema Fund may convert to the corresponding Share Class of any other Fund of the Company. Further details are set out in the Prospectus.